

December 1, 2005

"FIRST IN FINANCE SUPPORT"

Page 1



Special points of Interest

- The Myth of the GTCC
- Important COLA information
- About EFT

Inside this issue:

EFT	2
COLA	3
COLA Adjustment	3
Pay Inquiry	4
Useful Information	4

Five Myths About the Government Travel Card

Myth #1: Use of the government travel card is optional.

Truth: Per the DoD Financial Management Regulations (FMR), Volume 9, Chapter 3, and July 12, 2005 memo from the Department of the Army, use of the government travel card is required for all expenses (including airline tickets) arising from official government travel. Frequent travelers (those who travel three or more times a year) must adhere to this regulation.



Myth #2: A cardholder can use the government travel card anytime as long as he/she pays off the balance in a timely matter.

Truth: A cardholder cannot use the government travel card as their own personal credit/charge card; this is considered misuse of the card. Per the DoD FMR, Vol. 9, Ch. 3, Section 030607, government travel cards can only be used for official travel related expenses. Examples of misuse include (but are not

limited to) personal, family, or household expenses, and cash withdrawals from ATMs or bank when not related to official travel (when on official travel, a cardholder can only withdraw money a maximum of three days in advance of travel).

Myth #3: Delinquency on a government travel card does not affect a cardholder's personal credit.

Truth: This is only true if a cardholder's account has not been charged off by Bank of America. The delinquency cycle is as follows:

30 days delinquent – card is still available for use
61 days of delinquency – card is suspended
90 days of delinquency – cardholder has 30 days to pay balance in full or else will go into salary offset
120 days of delinquency – cardholder enters salary offset
210 days of delinquency – If salary offset is not possible, account is charged off and credit bureaus are notified.

It is only at day 210 that the cardholder's personal credit is affected. Even if salary offset was successful, a cardholder's personal credit is not affected. A cardholder should never list the government travel card

when applying for loans as it is not a 'credit' card.

Myth #4: Bank of America charges the cardholder a high interest rate on balances carried over from month to month.

Truth: Bank of America does not charge interest. Only flat fees are charged. Following is the fee schedule:

Days of delinquency

Day 75 - \$29
Day 120 - \$29
Day 126 - \$80 (salary offset fee)
Day 150 - \$29
Day 180 - \$29

Myth #5: The government is responsible for paying a cardholder's balance.

Truth: Per the DoD FMR, Vol. 9, Ch. 3, Section 030211, "Individual cardholders are responsible for payment in full of the undisputed amounts due in the monthly billing statement". If a travel voucher is not paid on time, a cardholder is still responsible for paying off the balance to avoid delinquency. Should a double payment occur, the cardholder may contact Bank of America to request a refund check.

Article by Vicki A. Grane,
USAREUR Government Travel
Card Program Manager



Electronic File Transfers – EFT payments

Did you know an EFT Payment sent to the wrong PAYEE is considered an “erroneous payment”? Yes, it is. If you send an EFT Payment to an account number or routing number that is mistyped and this payment gets posted to a wrong PAYEE, it becomes an erroneous payment and should be handled according to DoDFMR Volume 5, Chapter 6 and procedures outlined in para 0606502 should be followed.

The most important thing to remember is you must ensure the erroneous payment is recorded against the original appropriation. This means both payments are recorded to the same appropriation resulting in an over disbursement of the appropriation.

“Creating” a Deposit Ticket and Collection Voucher (CCV) without actually receiving notification through the FEDLINE the payment was in fact rejected is not proper procedure for an erroneous payment. We are seeing an increase in documents “created” for misdirected EFT payments become aged items on the Analysis of Unmatched Transactions. (AUTS). The reason - Disbursing did not actually retrieve the money from the wrong PAYEE/BANK.

Creating a Deposit Ticket and CCV will create a Station Line through the DELMAR (S Line) but you will never receive the offsetting Treasury Line (T-Line) unless the bank returns the money. The Analysis of Unmatched Transactions is the check and balance accounting report that shows what is going on in Disbursing. I call it the “window” into Disbursing operations, and we can see a lot of what is going on in Disbursing just by analyzing the report.

1 October 2005 Housing Allowance Changes

Some USAREUR Soldiers began seeing changes in their housing allowances in October as new housing allowance policies were implemented throughout Department of Defense. These changes stem from legislation that changed the way housing allowances are computed. Essentially, the changes related to the Overseas Housing Allowance (OHA) and the way it is computed. Previously, OHA contained a basic allowance for housing (called BAH Type II for OCONUS locations) and a supplement to reimburse for cost of housing. The changes eliminate BAH Type II as an allowance, and bases OHA totally on reimbursable housing costs. Soldiers who were receiving only BAH II will lose this allowance, beginning this month.

USAREUR-based Soldiers in the following categories may have seen pay changes in their October Leave and Earnings Statement (LES):

- Soldiers living off-post with no lease registered with the housing office;
- Single Soldiers living in economy housing who subsequently deploy and do not retain their off-post lease agreement;
- Soldiers who perform an Early Return of Dependents (ERD) at their own expense; and single Soldiers drawing any allowance for child support (BAH Diff) will see a change in their January 2006 LES.

These new rules have been published in the Joint Federal Travel Regulation and the Department of Defense Financial Management Regulation. More information is available on the 266th Finance Command website at (<https://www.266fc.hqusareur.army.mil/>).

If you are a sharer, make sure your rental agreement is on file with the local housing office. You must have an approved rental agreement to receive OHA after 1 October 2005. The BAH II you previously received is no longer authorized as an allowance after 1 October 2005. If you are a single Soldier living in economy quarters and are in receipt of TCS deployment orders, you continue to receive OHA only if the off-post lease agreement is

End Of Combat Zone Tax Exclusion for Turkey!

*The Office of the
Under Secretary of
Defense, in a
memorandum dated
3 Nov 2005,
terminated CZTE for
Turkey as an OIF
direct support area
and Incerlik Air Base
as an OEF direct
support area for all
military personnel in
Turkey effective
31 December 2005*



**A Paper Check
Conversion upgrade is
scheduled for January**

2006.

**The upgrade will
include the latest
version and new
laptops!**



approved through the housing office. It is important to reemphasize that anyone residing off-post that does not have a housing-approved lease should register with their supporting housing office now to ensure that they are eligible for the appropriate housing allowances. Soldiers who execute an Early Return of Dependents at their own expense after 30 September 2005 continue to receive OHA if economy quarters are retained at the PDS. No other housing allowance is authorized for dependents at any other location. Soldiers who receive an approved authorization for an ERD will be entitled to a housing allowance at the dependents' location based on the ERD order.

As of 31 December 2005, Basic Allowance for Housing, Differential, (an allowance for child support) will be eliminated for single Soldiers residing in economy quarters. Soldiers stationed OCONUS will receive OHA at the with-dependent rate. Single Soldiers residing in single type government quarters (barracks) will continue to receive BAH Diff. Soldiers can now receive OHA at the with-dependent rate for dependents, even if they are not command sponsored. The command sponsorship requirement still remains for receiving the with-dependent OCONUS Cost of Living Allowance (COLA).

Effective 1 October 2005, OCONUS COLA and OHA stops when a Soldier departs the OCONUS duty station for a new CONUS duty station. Previously, COLA and OHA could continue for 60 days if family members remained at the OCONUS duty station. New procedures require approval by HQDA G1 to continue OHA in this instance.

For more detailed information regarding these housing allowance changes and other financial issues, click on the 266th Finance Command website at (<https://www.266fc.hqusaureur.army.mil/>).

Article by
MAJ Randy L. Johnson

How COLA Adjustments are Implemented

The Cost of Living Allowance (COLA) is a non-taxable allowance paid to members living in high cost areas outside the continental United States to help them maintain the equivalent purchasing power of their CONUS-based counterparts. The COLA system compares the cost differences between goods and services (excluding housing) purchased in an OCONUS area to the price of goods and services purchased in CONUS. Price comparisons determine the level of COLA needed to equalize purchasing power between CONUS-based members and their OCONUS counterparts. COLA compensates members if the costs of these goods and services are higher in the OCONUS area than in CONUS.

The adjustments stem from surveys designed to capture the OCONUS prices. This year's online Living Pattern Survey captured input from more than 12,000 service members and their families to establish where goods and services are purchased. Using data from this survey, community representatives collected prices on the items in the stores where respondents reported they shopped.

This pricing information is then compared against prices for similar goods and services purchased by military families in CONUS. The result of this comparison is an index that reflects the higher cost of living. For example, an index of 124 indicates that prices are 24 percent higher than average prices in the United States; an index of 100 would indicate no difference.

Increases to COLA are implemented in total at the implementation date. For this year's surveys, the increases will be implemented in January 2006.

Decreases to the COLA index are implemented in two point increments per month, beginning after time for notification to service members. OSD approved a delayed implementation for the reduction from this year's surveys to January 2006. This defers the reduction until after the holidays and allows Soldiers additional time to plan for adjustments to their income.

The extended and phased (two points per month) reduction allows Soldiers time to adjust to their changing COLA allowance. This year's 4 index point reduction for Full Support communities will be implemented over two consecutive months beginning 1 January 2006: two points will be implemented in January and two points will be implemented in February. A 6-index-point reduction would be implemented over three consecutive months. In Stuttgart, COLA will be reduced by 2-index points on 1 January 2006 and 2-index points each successive month through July 2006 to implement the 14-index point reduction for that community.

Article by
MAJ Randy L. Johnson

Pay Inquiries and Customer Service

Customers have several options to handle pay inquiries. They can visit their local finance office or they can visit the servicing finance battalion's web page and submit a pay inquiry electronically. If neither of those methods work, they can contact the servicing finance battalion commander (Cdr), executive officer (XO), or sergeant major (CSM).

The 266th Finance Command is here to support the servicing finance battalions while also acting as the USAREUR Staff Finance and Accounting Office. The FINCOM is the liaison between DFAS and the Per Diem Committee. Customers should allow USAREUR finance elements to address problems rather than contacting DFAS or the Per Diem Committee directly.

Each finance battalion has a web site with useful information and the ability to address pay inquiries electronically. The 266th FINCOM web site also provides a wealth of finance information as well as links to the finance battalions.

Access USAREUR finance home

8th Finance Battalion	http://www.8fb.baumholder.army.mil
MAJ Brian Myers (rear)	485-1730
MSG Darrel Jones (rear)	485-6056
39th Finance Battalion	http://www.39fb.hanau.army.mil
LTC Rick Tillotson	322-8590
CSM Opan Isaac	322-8108
106th Finance Battalion	http://www.106fb.wuerzburg.army.mil
LTC Keith Muschalek	351-4291
CSM Pamela Ramble	351-4327
208th Finance Battalion	http://www.208fb.mannheim.army.mil
MAJ Annemarie Delgado (rear)	384-6255
1SG Shelley Ohlendorf (rear)	384-6909
266th Finance Command	http://www.266fc.hqusareur.army.mil
COL Michael Bendich (rear)	379-5101
LTC Dennis Yancheski (rear)	379-5103
CSM Joseph Roberson (rear)	379-5107

Other Useful References :

- ♦ The Joint Federal Travel Regulations <http://www.dticmil/perdiem/>
- ♦ Financial Management Regulations <http://www.dtic.mil/comptroller/fmr/index.html>
- ♦ Military pay and travel messages <http://dfas4dod.dfas.mil/CENTERS/DFASIN/LIBRARY/>

Finance Operations Directorate POCs

Finance Policy	379-7587
Military Pay Policy	379-5162
Travel Policy	379-5162
Disbursing Policy	379-5168
Banking Policy	379-5167
Accounting Policy	379-6407

Questions or comments regarding the contents of this newsletter should be directed to 266th FINOPS at, DSN 379-7587. You can also e-mail your questions or comments to AEUFC-FAPD@266fc.army.mil.

Close To Home

The Holiday Season has begun!

Heidelberg Christmas Market

23 November through 22 December
Daily 11:00 to 21:00

Mannheim Christmas Market

23 November through 23 December
Daily 11:00 to 21:00

